

Appl. No. 10/716,926
Amdt. Dated July 9, 2008
Reply to Office Action of April 11, 2008

UTILITY PATENT

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of: Ned A. Kaled	Group Art Unit: 3627
Serial No.: 10/716,926	Examiner: Rafai, Ramsey
Filed: November 18, 2003	Confirmation No.: 6403

For: INVENTORY REPLENISHMENT NOTIFICATION SYSTEM

Docket No.: H0005531

Customer No.: 000128

ARGUMENTS ACCOMPANYING PRE-APPEAL REVIEW

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Commissioner for Patents
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Sir:

The following arguments accompany a request for pre-appeal review of rejections made in a Final Office Action mailed April 11, 2008. Claims 1 and 3-20 are currently pending, with claims 1, 10 and 17 being independent claims.

Rejections Under 35 U.S.C. § 103

In the final office action, claims 1, and 3-20 were rejected under 35 U.S.C. § 103 as allegedly being unpatentable over Salvo et al (U.S. Patent No. 6,341,271, hereinafter Salvo). In this rejection, the Examiner stated that Salvo teaches an inventory replenishment system that comprises a plurality of bin monitors, where each of the plurality of bin monitors includes a sensor and a transmitter. In making this rejection, the Examiner admitted that Salvo does not teach monitoring for when a reserve bin is

accessed to replenish a primary bin, but stated that it would have been obvious to one of ordinary skill in the art to so modify Salvo. In response to appellant's previous arguments the Examiner argued that as Salvo teaches other methods to determine the amount of inventory, that it would have been obvious to one of ordinary skill in the art to modify Salvo to include a reserve receptacle in communication with each receptacle because doing so would allow for immediate replenishment of the inventory when the inventory in the receptacle has depleted. Furthermore, the Examiner argued that the claimed invention would have been obvious under KSR, which is alleged to foreclose an argument that a specific teaching, suggestion or motivation is required to support a finding of obviousness.

Finally, in response to appellant's previous argument that Salvo teaches monitoring an amount, which is just an indication of quantity, the Examiner again argued that this is an obvious modification of providing signals indicative of an inventory amount, as both features are used to indicate inventory levels and a need for replenishment of inventory. The Examiner argued that their functionalities are similar, and that the modification would also have thus been obvious to one of ordinary skill in the art because doing so would provide notification that the inventory in the receptacle has depleted. And again, the Examiner argued that the claimed invention would have been obvious under KSR, stating that KSR forecloses an argument that a specific teaching, suggestion or motivation is required to support a finding of obviousness.

Appellants again respectfully disagree, and submit that the claimed invention is patentably distinct over the cited reference. Again, appellants submit that the cited reference fails to teach 1) the use of inventory storage devices that include a "primary bin coupled to a reserve bin" and 2) "monitoring for when a reserve bin is accessed to replenish a primary bin" as recited in independent claim 1 and similarly recited in independent claims 10 and 17.

Regarding the issue of a reserve bin coupled to a primary bin, appellants note that while Salvo describes a variety of different types of receptacles (see column 4, lines 12-22) nowhere are any of these various types of receptacles described as being a "reserve" receptacle that is coupled a "primary" receptacle. Furthermore, there is no

description in Salvo of multiple bins storing same type of items, such that one could serve as a reserve for the other. Instead, all the descriptions imply that each receptacle operates independently of any other receptacles, and that inventory amounts are likewise independent.

Furthermore, Salvo itself teaches against such an arrangement, stating that “the shape and material of each receptacle may differ and do not effect the operation of the inventory management system 100”. See column 4, 15-18 of Salvo. Thus, Salvo admits that no special configuration of receptacles is required, and clearly does not contemplate any sort reserve/primary bin configuration.

Thus, Salvo does clearly does not teach inventory receptacles that includes a “reserve bin coupled to a primary bin”, and in fact teaches against the need for such a particular arrangement.

Regarding the limitation of “monitoring for when a reserve bin is accessed to replenish a primary bin”, appellants again submit that this limitation is not found in the cited reference. Again, Salvo teaches the use of sensors that provide signals of **amount**, not an indication of **transfer** from a reserve bin to a primary bin. Appellants note that Salvo describes these sensors with examples such as level sensors, weight indicators, and other devices that permit “determination of the amount 151 of the inventory in a receptacle 104”. See column 4, line 32-46. All of these things are detections of quantity, not indications of transfer.

Appellants submit that it is fundamentally different to attempt to quantify an amount of some item rather than to simply monitor when a reserve bin has been accessed. Methods of monitoring for quantity can require a great level of complexity depending upon the item being monitored, and are thus subject to a variety of possible failure modes. In contrast, monitoring for a transfer can relatively simple, and can be reliably determined with high precision. Thus, while the purpose of monitoring for transfer may be similar to that of determining a quantity, the techniques are clearly fundamentally different. Thus, Salvo clearly does not teach the claimed invention as it fails to teach any sort of “monitoring for when a reserve bin is accessed to replenish a primary bin”.

As was noted above, in making these rejections the Examiner also argued

(apparently as a fallback position) that the claimed invention would have been obvious under KSR, which is alleged to foreclose an argument that a specific teaching, suggestion or motivation is required to support a finding of obviousness. To support this conclusion, the Examiner cites the recent Board decision, *Ex parte Smith*, --USPQ2d, slip opinion at 20, (Bd. Pat. App. & Interf. June 25, 2007).

Appellants submit this is a misapplication of KSR. Specifically, while a specification teaching, suggestion or motivation may not be required under KSR, there must still be some underlying rationale to support the finding of obviousness. KSR itself states that “rejections on obviousness cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness”. *KSR Int’l Co. v. Teleflex Inc.*, 82 USPQ2D 1385 , 1396 (2007). In this case, the Examiner has failed to provide the required articulated reasoning with some rational underpinning that is required to support a finding of obviousness. Instead, the Examiner relies upon same “mere conclusory statements” that were declared to be insufficient under KSR.

Furthermore, the recently published Examination Guidelines for Determining Obviousness Under 35 U.S.C. § 103 in View of the Supreme Court Decision in *KSR International Co. v. Teleflex Inc.*, describes the possible rationales and their requirements. See section III of the Examination Guidelines, Federal Register, Volume 72, No. 195 at page 57529. In this case, the Examiner has made no showing that meets the requirements of section III of the Examination Guidelines, instead relying upon mere conclusory statements.

Thus, as Salvo fails to teach both “inventory storage devices” that include “a primary bin coupled to a reserve bin” and bin monitors that monitor “for when a reserve bin is accessed to replenish a primary bin”, and as no proper “articulated reasoning with some rational underpinning to support the legal conclusion of obviousness” has been provided, appellants submit independent claim 1 is patentably distinct over the Salvo reference. Furthermore, as independent claims 10 and 17 include similar limitations, they are submitted to be patentably distinct over Salvo for the same reasons. Furthermore, as claims 2-9, 11-16 and 17-20 depend from, and include all the limitations of their

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respective independent claims, they are also submitted to be patentably distinct for the same reasons.

Conclusion

Based on the above, Appellants request that the reviewing panel find that the rejections made in the final office action are in error, and that independent claims 1, 10 and 17 are patentable over the citations of record.

If for some reason Appellant has not paid a sufficient fee for this response, please consider this as authorization to charge Ingrassia, Fisher & Lorenz, Deposit Account No. 50-2091 for any fee which may be due.

Respectfully submitted,

INGRASSIA FISHER & LORENZ

Dated: July 9, 2008

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